



Investor Spotlight:

Taku Ekanayake

Produced by **Alex Cooper**



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At 28 years old, Taku Ekanayake is an Uber driver and experienced salesperson with a \$2.1 million property portfolio. Having accumulated six investment properties within three years, he has developed a strategy which focuses on purchasing under market value, then adding value through necessary renovations.



How He Got Started

Ekanayake was 24 and living with his parents in Sydney when he began engaging with resources on personal development, which in turn led him to those on creating financial freedom via investing into property. As someone with a strong work ethic and time management skill, he saved \$70,000 from his respective Uber and sales incomes. He soon began extensive research into the property market.

Unable to afford to purchase in Sydney, he located a good property in Queensland in October 2014. Although he had no clear strategy at the time, he was able to negotiate and lower the price of the property by using his sales skills. His sales experience has also helped him to maintain good lines of communication and establish a trusting relationship with his team, which has proved beneficial for him as an interstate investor.



Taku's Portfolio

In another year, Ekanayake purchased his second property and met his broker and mentor, Michael Xia, who gave him some valuable advice.

“He’s an investor himself and he was saying, ‘If you want to keep purchasing property, you can’t keep saving yourself to the next deposit, or it’s just going to take you too long,’” says Ekanayake. “So he gave me that idea of manufacturing equity, really looking at undervalued properties, doing a cosmetic reno on them and then using the equity within those - after you revalue it - to subsequently fund the next purchase.”

He applied this strategy to his next property in Deception Bay in Queensland - an area with good population growth, many improvements in infrastructure and a solid rental return. Purchasing the property for \$232,500, it was run-down and needed substantial renovations. Now that property is worth \$320,000.

“One great thing about that property was we looked at the floor plan and the main bedroom was really big, it was a six-by-three and it had windows on either side,” says Ekanayake. “So we identified that we could put in a divider wall, an alcove with the door and turn this into a four-bedder, which would easily bump up the rent. Which it did, to \$340, so \$70 more after the reno. It improved the value of the property when it came time for re-valuation. That was a really good foray into the whole renovating strategy.”

The concept of adding value quickly in this way transferred to other properties as well, where instead of eating into his cash flow to renovate structural issues he was able to focus purely on cosmetic upgrades.

THE NUMBERS Taku Ekanayake										
LOCATION	BEDROOMS, BATHROOMS, CAR SPACES	PURCHASE DATE	PROPERTY PRICE	RENOVATION COSTS	WEEKLY RENT	CURRENT VALUE	LVR	CURRENT DEBT	EQUITY	MONTHLY MORTGAGE REPAYMENT
Bracken Ridge, QLD	3, 2, 2	Oct 2014	\$378,500	Nil	\$430	\$450,000	83%	\$374,000	\$76,000	\$1,330
Eagleby, QLD	3, 1, 2	Oct 2015	\$258,500	Nil	\$320	\$300,000	77%	\$232,000	\$68,000	\$795
Deception Bay, QLD	4, 2, 2	Dec 2015	\$232,500	\$19,000	\$340	\$320,000	86%	\$275,000	\$45,000	\$1,030
Kallangur, QLD	3, 1, 1	Apr 2016	\$253,000	\$16,000	\$340	\$320,000	83%	\$267,400	\$52,600	\$885
Salisbury Nth, QLD	4, 1, 2	Aug 2016	\$220,000	\$13,000	\$330	\$280,000	63%	\$176,000	\$104,000	\$590
Scarborough, QLD	2, 1, 1	Nov 2016	\$300,000	\$7,000	\$360	\$380,000	70%	\$264,000	\$116,000	\$990
Total			\$1,642,500	\$55,000	\$2,120	\$2,050,000	77%	\$1,588,400	\$461,600	\$5,620

Source: Domain.com, 30 Nov 2016

Ekanayake's advice for anyone wishing to buy, renovate and hold is to determine whether you can get around \$70 000 out of the renovation and to never spend more than \$20 000 on the renovation itself.

"I'm buying properties around that \$350,000 mark," he explains. "If I'm putting a \$10,000 - \$15,000 reno and 12% deposit in, with closing costs and stamp duties I'm going to need about \$60,000 - \$80,000. I don't want to overcapitalise on the renos and I'm always looking for where I am going to find \$60,000 - \$70,000 of equity within those properties after I revalue it."

Within the next eight years, Ekanayake is excited to continue building his own business with the aid of his expanding portfolio.

"That's what drives me right now, I just really want to be in a comfortable position," says Ekanayake. "I don't want to be stuck in the rat race, working for a big corporate for the rest of my life and living with that stress, helping build someone else's dream. I want to build my own dream."

Find out more:

Click on the link below to learn more about Taku Ekanayake's property investing journey, featured on the Property Investory website.

<http://propertyinvestory.com/episodes/buying-property-taku-ekanayake/>

Also if you own property and want to share your story, please send an email to

hello@propertyinvestory.com